

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

STARRED QUESTION NO:569
ANSWERED ON:31.08.2001
REVISED VRS FOR EMPLOYEES OF PSUS
NARESH KUMAR PUGLIA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government are planning to raise the compensation paid under the Department of Public Enterprises Voluntary Retirement Scheme to ensure that there are more takers for the VRS;
- (b) if so, the details thereof;
- (c) the salient features of the VRS package offered to Public Sector Undertakings (PSUs) employees notified in May, 2000; and
- (d) the time by which the revised VRS package to be offered to PSUs employees, is likely to be notified?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT TO LOK SABHA STARRED QUESTION NO. 569 FOR REPLY ON 31.8.2001 REGARDING REVISED VRS EMPLOYEES OF PSUS

(a) to (d): The salient features of the VRS package offered to PSU employees notified in May 2000 are as under:-

Under the already notified VRS package offered to PSUs in May, 2000, undertakings which are financially sound and capable of funding scheme on their own resources, may implement their own variants of the existing VRS. The compensation, however, will not exceed 60 days salary for each completed year of service or the salary for the number of months` service left before superannuation, whichever is less.

2. Enterprises that are marginally profit making or incurring losses are to adopt a VRS modelled on a scheme introduced in Gujarat. Under this arrangement 35 days salary will be offered for each completed year of service and 25 days of salary for each year of service left until superannuation. The compensation will not however, exceed the total salary of the employees for the balance of service left.

3. For sick and unviable units, the Voluntary Separation Scheme (VSS) package of Department of Heavy Industry will be adopted. As a corollary, the VSS may be modelled on Gujarat pattern. However, employees would have to opt for VSS within 3 months from the date of offer failing which they would be eligible only for retrenchment compensation.

Review of schemes is an ongoing process and no time limit can be fixed.